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**WARD 3, AYOVELLES  
WATERWORKS DISTRICT**  
Marsden, Louisiana

Compiled Financial Statements

December 31, 2000

Under provisions of state law, this report is a public document. A copy of this report is being furnished to the entity and the Louisiana Legislative Council. This report is available for review by any person at the request of the office of the Auditor General, subject to appropriate, at the discretion of the Auditor General.

Exhibit Date, 7/24/02

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## ACCOUNTANTS' REPORT

1100 South Main Street

Board of Commissioners  
Wood 3, Arroyo del Norte District  
Metairie, Louisiana

We have compiled the accompanying financial statements of Wood 3, Arroyo del Norte District, a component unit of the Arroyo del Norte Police Dept., as of December 31, 2001 and 2000 and for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary information that is the representation of management. We have not audited or reviewed the accompanying 2001 and 2000 financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

**Kolder, Champagne, Slaven & Rainey, LLC**  
Certified Public Accountants

Metairie, Louisiana  
April 19, 2002

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## COMPONENT UNIT FINANCIAL STATEMENTS

**WARD 3, ANDRELLIS WATERWORK DISTRICT**  
**MANALAY, LOUISIANA**

Proprietary Fund Type  
Enterprise Fund  
Comparative Balance Sheet  
December 31, 2008 and 2007  
(Unaudited)

	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 69,534	\$ 36,663
Investments	15,800	15,800
Accounts receivable, water sales	39,333	33,136
Accrued interest receivable	138	123
Prepaid insurance	3,454	3,404
Inventory	<u>5,000</u>	<u>8,082</u>
<b>Total current assets</b>	<u>133,259</u>	<u>107,108</u>
<b>Restricted assets:</b>		
Customer deposits -		
Cash and cash equivalents	34,833	33,888
Investments	29,200	26,866
Accrued interest receivable	164	138
Board accounts -		
Cash and cash equivalents	7,634	6,364
Investments	80,090	83,628
Accrued interest receivable	<u>436</u>	<u>3,027</u>
<b>Total restricted assets</b>	<u>152,357</u>	<u>153,783</u>
<b>Property, plant and equipment:</b>		
Land	9,260	9,260
Building and equipment	<u>307,119</u>	<u>348,831</u>
<b>Total</b>	<u>316,379</u>	<u>358,091</u>
Less: accumulated depreciation	<u>(413,837)</u>	<u>(418,238)</u>
Net property, plant and equipment	<u>89,542</u>	<u>39,853</u>
<b>Total assets</b>	<u>\$299,178</u>	<u>\$299,942</u>

See accountants' report.

	2001	2000
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Current liabilities payable from current assets -		
Accounts payable	\$ 10,704	\$ 10,000
Payroll taxes payable	180	1,000
Interest payable	270	340
Total current liabilities payable from current assets	<u>11,154</u>	<u>11,340</u>
Current liabilities payable from restricted assets -		
Customer deposits	10,000	11,300
Customer accounts of long-term debt	<u>11,000</u>	<u>11,000</u>
Total current liabilities payable from restricted assets	<u>21,000</u>	<u>22,300</u>
<b>Long-term liabilities:</b>		
Revenue bonds payable (net of current portion)	<u>76,454</u>	<u>85,000</u>
Total liabilities	<u>108,608</u>	<u>118,640</u>
<b>Equity:</b>		
Contributed capital -		
Common	5,000	5,000
Grants	<u>287,540</u>	<u>287,540</u>
Total contributed capital	<u>292,540</u>	<u>292,540</u>
Less: Accumulated amortization	<u>(50,540)</u>	<u>(57,340)</u>
Net contributed capital	<u>242,000</u>	<u>235,200</u>
<b>Retained earnings:</b>		
Revised -		
Revenue bond retirement	41,450	41,110
Revised bond amortization	39,640	36,600
Unrevised	<u>228,660</u>	<u>231,690</u>
Total retained earnings	<u>311,750</u>	<u>309,400</u>
Total fund equity	<u>553,750</u>	<u>544,600</u>
Total liabilities and fund equity	<u>\$ 662,358</u>	<u>\$ 663,240</u>

**WARD 3, ANYTAVILLE WATERWORKS DISTRICT**  
**MANASSAS, GEORGIA**

Proprietary Fund Type  
Enterprise Fund

Comparative Statement of Revenues, Expenses and Changes in Retained Earnings  
Years Ended December 31, 2001 and 2000  
(\$ thousands)

	2001	2000
<b>Operating revenues:</b>		
Charges for services - water sold and fees	<u>\$ 329,552</u>	<u>\$ 329,926</u>
<b>Operating expenses:</b>		
Cost of water sold	149,784	179,488
Salaries	66,818	66,581
Payroll taxes	4,653	5,398
Fuel	1,183	5,258
Utilities	7,222	7,463
Telephone	2,680	3,751
Office supplies	2,583	1,828
Postage	2,855	2,814
Repairs and maintenance	12,779	14,469
Auditing fees	3,858	-
Consultants fees	3,488	3,368
Contract services	5,828	828
Insurance	18,812	9,254
Depreciation	125,668	122,761
Interest on long-term debt	6,483	-
Debt	1,127	1,277
Other operating	1,478	2,658
<b>Total operating expenses</b>	<u>545,851</u>	<u>545,851</u>
<b>Operating income</b>	<u>1,691</u>	<u>4,721</u>
<b>Nonoperating revenues (expenses):</b>		
Interest income	6,116	11,854
Loss on sale of assets	(984)	-
Interest expense	<u>(6,873)</u>	<u>(5,777)</u>
<b>Total nonoperating revenues (expense)</b>	<u>859</u>	<u>5,857</u>
<b>Net income</b>	<u>2,550</u>	<u>10,578</u>
<b>Add: Depreciation on fixed assets acquired by grants, endowments, and donations or resources internally restricted for capital acquisitions and construction that reduces contributed capital</b>	<u>7,198</u>	<u>7,198</u>
<b>Retained earnings, beginning</b>	<u>289,631</u>	<u>281,431</u>
<b>Retained earnings, ending</b>	<u>\$ 301,879</u>	<u>\$ 299,227</u>
<b>See accompanying report.</b>		

WARD 3, ANDREYELLES WATERWORKS DISTRICT  
MANHATTAN, LOUISIANA

Proprietary Fund Type  
Enterprise Fund  
Comparative Statement of Cash Flows  
Years Ended December 31, 2004 and 2003  
(Unaudited)

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Cash received from customers	\$ 321,884	\$ 508,820
Cash payments to suppliers for goods and services	(207,626)	(225,170)
Cash payments to employees for services	<u>(52,878)</u>	<u>(71,260)</u>
Net cash provided by operating activities	<u>61,380</u>	<u>212,390</u>
Cash flows from capital and related financing activities:		
Principal paid on notes payable	(10,000)	(10,000)
Interest paid on notes payable	(4,872)	(5,372)
Proceeds from sale of assets	13,179	-
Acquisitions of plant and equipment	<u>(34,823)</u>	<u>-</u>
Net cash used for capital and related financing activities	<u>(36,516)</u>	<u>(12,272)</u>
Cash flows from investing activities:		
(Increase) decrease in investments	(10,990)	(1,421)
Interest received on investments	<u>11,366</u>	<u>6,283</u>
Net cash provided by investing activities	<u>276</u>	<u>4,862</u>
Net increase in cash and cash equivalents	36,135	13,980
Cash and cash equivalents, beginning of year	<u>85,896</u>	<u>68,246</u>
Cash and cash equivalents, end of year	<u>\$ 102,031</u>	<u>\$ 82,226</u>

See accountant's report.



WARD 3, AWOVILLES WATERWORKS DISTRICT  
 HANCOCK, LOUISIANA

Proprietary Fund Type

Enterprise Fund

Comparative Statement of Cash Flows (Continued)

Years Ended December 31, 2001 and 2000

(Continued)

	<u>2001</u>	<u>2000</u>
Reconciliation of net income to net cash provided by operating activities:		
Operating income	<u>\$ 3,499</u>	<u>\$ 4,721</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	15,868	23,760
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	(4,077)	0
Increase (decrease) in accounts payable	1,665	(500)
Increase (decrease) payroll taxes payable	(1,407)	408
Increase (decrease) in sales taxes payable	17	100
Increase (decrease) in customer deposits	<u>1,472</u>	<u>560</u>
Total adjustments	<u>23,986</u>	<u>23,428</u>
Net cash provided by operating activities	<u>\$27,485</u>	<u>\$28,150</u>

See accountants' report.

**WARD 1, ARCADEVILLE WATERWORKS DISTRICT**  
**Harrison, Louisiana**

**Notes to the Financial Statements**

**(1) Summary of Significant Accounting Policies**

The Ward 1, Arcadville Waterworks District (hereinafter referred to as District) was incorporated on July 18, 1879 as a nonprofit corporation as defined in Louisiana Revised Statutes, Title 33, Chapter 5, Section 1811 et seq. The District is authorized to construct, maintain, and improve the system of water supply within the district.

The accounting and reporting policies of the District conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry-wide guide, *Guide for State and Local Governmental Units*.

The Water District is a component unit of the Arcadville Parish Police Jury, the primary government. The commissioners of the District are appointed by the Arcadville Parish Police Jury.

The Water District serves approximately 678 customers and has 3 employees.

**A. Basis of Presentation**

The accompanying component unit financial statements of the Ward 1, Arcadville Waterworks District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**B. Reporting Entity**

For financial reporting purposes, these component unit financial statements include all funds and activities that are controlled by the District as an independent political subdivision of the State of Louisiana. Although legally separate from the Arcadville Parish Police Jury, the Arcadville Parish Police Jury appoints the Board of Commissioners and has the ability to impose its will on the District and, therefore, is considered to be a component unit of the Arcadville Parish Police Jury (primary government), the financial reporting entity.

**C. Fund Accounting**

The District uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

**WARD 3, AVONVILLE WATERWORKS DISTRICT**  
Missouri, Louisiana

**Notes to Financial Statements (Continued)**

The District uses an enterprise fund to account for its proprietary first operations. An enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**D. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurement made, regardless of the measurement basis applied.

The District utilizes the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred. Unbilled utility service installations resulting from utility services rendered between the date of meter reading and billing and the end of the month are recorded in accounts receivable.

**E. Fixed Assets and Liabilities**

Fixed assets are accounted for on a cost of services or "capital maintenance" measurement basis, and all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets.

Depreciation of all depreciable fixed assets used by proprietary funds is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	5-20 years
Buildings	40 years
Storage tanks	40 years
Utility System and Improvements	18-40 years

All fixed assets are stated at historical cost. Depreciated fixed assets, if any, are stated at their estimated fair value as the date dictated.

The District follows the policy of capitalizing interest as a component of the cost of property, plant and equipment for its own use. For the year ended December 31, 2004, there were no interest charges capitalized on fixed assets acquired or constructed.

**WARD 3, APOUILLER WATERWORKS DISTRICT**  
**Monroe, Louisiana**

**Notes to Financial Statements (Continued)**

**F. Investments**

Investments which consist of insured money market accounts and interest-bearing demand deposit accounts are stated at cost, which approximates market.

**G. Restricted Assets**

Certain proceeds of the Revenue Bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Also, security deposits paid by customers are classified as restricted assets since they are refundable to the customers.

**H. Bad Debt**

The allowance method is used to recognize bad debts of accounts receivable. The allowance is determined based upon past history and the aging of accounts receivable as of year-end. The allowance for bad debts at December 31, 2001 is immaterial.

**I. Compensated Absences**

The District has no set policy for accumulated vacation, sick pay or other employee benefits. Therefore, no accruals for compensated absences have been made in these financial statements.

**J. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District as an extension of formal budgetary integration in the funds.

**K. Statement of Cash Flows**

For purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**L. Comparative Data**

Comparative data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

**WARD 3, AVOYELLES WATERWORKS DISTRICT**  
**Monroe, Louisiana**

**Notes to Financial Statements (Continued)**

**(2) Cash and Investments**

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the law of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2001, the District had cash and interest-bearing deposits (bank balances) totaling \$302,031. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. Deposit balances (bank balances) at December 31, 2001 of \$99,746 were insured in total by federal deposit insurance.

The investments held by the District are comprised of time deposits with a maturity of one year. The carrying amount approximates market. The bank balances totaling \$134,676 were secured by federal deposit insurance.

**(3) Accounts Receivable**

The accounts receivable balance at December 31, 2001 of \$39,330 consisted of the following:

<b>Billed -</b>		
Current	\$21,868	66%
Arrears	<u>1,853</u>	5%
Total Billed	23,721	60%
Unbilled	<u>15,609</u>	
Gross receivables	39,330	
Less allowance:	<u>-</u>	
Total receivables, net	<u>\$39,330</u>	

Unbilled receivables represent the estimated billings for water sales from the last date the meters were read in the year of 2001 (approximately the 15th of December) to the end of the year.

**WARD 3, AVONTELLIS WATERWORKS DISTRICT**  
**Monroe, Louisiana**

**Notes to Financial Statements (Continued)**

**(4) Property, Plant and Equipment**

A summary of changes in property, plant and equipment follows:

	<u>Balance</u> <u>12/31/2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2001</u>
Land	\$ 9,200	\$ -	\$ -	\$ 9,200
Buildings	43,750	-	-	43,750
Equipment	86,655	14,921	(54,033)	47,443
Distribution systems	<u>686,515</u>	<u>-</u>	<u>-</u>	<u>686,515</u>
<b>Totals</b>	<u><b>\$ 725,120</b></u>	<u><b>\$ 14,921</b></u>	<u><b>\$ (54,033)</b></u>	<u><b>\$ 716,013</b></u>

**(5) Changes in Long-Term Debt**

The following is a summary of debt transactions of the District for the year ended December 31, 2001:

	<u>Bonds</u> <u>Payable</u>
Long-term obligations payable, December 31, 2000	\$ 91,454
Additions	-
Deductions	<u>(111,000)</u>
Long-term obligations payable at December 31, 2001	<u><b>\$ 80,454</b></u>

Bonds payable (current and long-term portions) are financed with OMAC Commercial Mortgage.

**WARD 3, AVOYELLES WATERWORKS DISTRICT**  
**Monroe, Louisiana**

**Notes to Financial Statements (Continued)**

Bonds payable at December 31, 2004 is composed of the following individual bonds:

\$225,000 bonds dated January 1, 1915, bearing interest at 5% per annum, due in annual payments of \$11,800 to \$12,600 through January 1, 2014.	\$ 99,454
Less current portion	<u>(59,000)</u>
Long-term portion	<u>\$ 37,454</u>

The annual requirements to amortize bonds outstanding at December 31, 2004, including interest payments of \$17,999 are as follows:

December 31,

2003	\$ 15,333
2004	15,623
2004	19,273
2005	15,623
2006	14,973
2007-2008	<u>28,180</u>
	<u>\$105,403</u>

**19) Flow of Funds Restrictions on Line of Credit Borrowing**

Under the terms of the bond indentures all of the income and revenues earned by the District from operations of the waterworks system must be deposited in the "Waterworks Revenue Fund". Monies in this fund shall be first used for the payment of all reasonable and necessary expenses of operating and maintaining the system. By the 20th of each month out of the "Waterworks Revenue Fund" shall be transferred into for (1) "Waterworks Revenue Bond and Interest Sinking Fund" an amount equal to 1/12th of the principal and the interest falling due on the next maturing installment for the Bonds, (2) "Waterworks Reserve Fund" an amount equal to 5% of the amount transferred into the "Waterworks Revenue Bond and Interest Sinking Fund" until there is on deposit an amount equal to \$22,500 and (3) "Waterworks Depreciation Fund" an amount equal to \$50. For 2004, all provisions have been met. Activity in the debt and revenue bond accounts for 2004 follows:

**WARD 3, AVOUELLER WATERWORKS DISTRICT**  
**Mossy, Louisiana**

**Memo to Financial Statements (Continued)**

	<u>Sinking Fund</u>	<u>Reserve Fund</u>	<u>Depreciation Fund</u>
Balance 12/31/80	\$26,804	\$ 26,661	\$34,152
Transfers in	-	-	1,200
Interest earned	<u>3,154</u>	<u>3,154</u>	<u>4,348</u>
Balance 12/31/91	<u>\$29,215</u>	<u>\$ 29,215</u>	<u>\$39,698</u>

Restricted assets for the bond accounts are comprised of the following at December 31, 2001:

Cash	\$ -	\$ -	\$ 7,654
Investments	29,215	29,215	32,020
Accrued interest	<u>164</u>	<u>164</u>	<u>98</u>
Total	<u>\$ 29,279</u>	<u>\$ 29,279</u>	<u>\$ 39,778</u>

(7) **Retirement Commitments**

Employees of the District are members of the social security retirement system. The District has no further liability for retirement commitments. The FICA expense during 2001 on qualified payroll of \$45,018 was \$1,519.

(8) **Contributed Capital**

Amounts contributed to the enterprise fund for acquisition or construction of fixed assets are recognized as contributed capital. Contributed capital generated through grants externally sourced for capital acquisitions is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such grants. This depreciation is closed to the appropriate contributed capital account and is reflected as an adjustment to net income on the Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings.

Contributed capital for the Water District consists of the following:

	<u>Amounts</u>
Customer contributions	\$ 5,000
State Grants	182,000
Federal Grants	<u>100,548</u>
Total contributed capital	<u>\$287,548</u>

The contributed capital is externally restricted for capital acquisitions or construction. Depreciation on the fixed assets acquired by contributed capital is treated as a reduction of contributed capital and a corresponding increase in retained earnings. In the current year, \$7,196 of contributed capital was amortized.



**WARD 3, ACACYPOLIS WATERWORKS DISTRICT**  
**Memphis, Louisiana**

**Notes to Financial Statements (Continued)**

**(9) Litigation**

At December 31, 2001, there is no litigation pending against the District.

**(10) Water Purchase Contract**

The District purchases its water from the Town of Cotacopost, Louisiana. On January 23, 1999, the District renewed its water purchase contract with the Town for a period of three (3) years. The terms of the contract are as follows:

1. \$1.03 per 1,000 gallons up to 3,800,000 gallons
2. \$1.11 per 1,000 gallons in excess of 3,800,000 gallons
3. Term of contract is for 30 years

On August 3, 1994, the District entered a contract with Louisiana Water Company, a corporation domiciled in Baton Rouge, Louisiana (hereinafter referred to as LAWCO). The contract calls for the District to purchase water from LAWCO to be subsequently sold to Grand Casino Acacypolis. The contract term is for ten (10) years and expires on September 14, 2004. The District cost for this water is \$1.80 per 1,000 gallons.

**(11) Board Members' Compensation**

The Board of Commissioners' compensation for the year ending December 31, 2001 is as follows:

	Commissioners' Fees Per Month
Ann Decuir	1,000
Leon Burdick	750
Travis Benavente	340
James Dupichain	340
Donald Sampson	750
Chris Butler	750
	<u>\$3,680</u>

## SUPPLEMENTARY INFORMATION

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

## ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners  
Ward 3, Averyelles Waterworks District  
Mandeville, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Ward 3, Averyelles Waterworks District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Ward 3, Averyelles Waterworks District's compliance with certain laws and regulations during the year ended December 31, 2009 and 2010 included in the accompanying *Louisiana Attention Questions* to. This agreed-upon procedure engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$7500, or public works exceeding \$50,000 and determine whether such purchases were made in accordance with LSA-RS 38:221-3221 (the public bid law).

There was one expenditure made during the year for the purchase of a truck that cost \$14,122 which exceeding \$7,500. The district obtained at least 3 quotes which is in accordance with State law.

### Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of management as defined by LSA-RS 42:111-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.
3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

100 West Broad Street  
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4. Determine whether any of these employees included in the listing obtained from management in agreed-upon procedure (2) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management (agreed-upon procedure (3)) appeared on the list provided by management in agreed-upon procedure (2).

#### *Budgeting*

5. Obtained a copy of the legally adopted budget and all amendments.

Ward 3, Annapolis Waterworks District, an enterprise fund and a component unit of the Annapolis Parish Police Jury, is not required to adopt a budget.

6. Traced the budget adoption and amendments to the published advertisement in the official journal.

Ward 3, Annapolis Waterworks District, an enterprise fund and a component unit of the Annapolis Parish Police Jury, is not required to adopt a budget.

7. Compared the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

Ward 3, Annapolis Waterworks District, an enterprise fund and a component unit of the Annapolis Parish Police Jury, is not required to adopt a budget.

#### *Accounting and Reporting*

8. Randomly select 10 disbursements made during the period under examination and:

- a. trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- b. determine if payments were properly coded to the correct fund and general ledger account, and

All payments were properly coded to the correct fund and general ledger account.

2. determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approval from the Ward 3, Arcadia Waterworks District.

9. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

18. Examine payroll records for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

We inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances or gifts.

We were not engaged to and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Ward 3, Arcadia Waterworks District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

*Kalder, Champagne, Steven & Rukey, LLC*  
Certified Public Accountants

Marksville, Louisiana  
April 18, 2003

August 1st 3 Water District

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**LOUISIANA ATTESTATION QUESTIONNAIRE  
For Attestation Engagements of Government**

LSA-RS

June 30, 2008 (Date Transmitted)

Kelley Champagne, Elvira & Company, LLC  
101 E. Water Street  
Shreveport, LA 71201

(Auditors)

In connection with your compilation of our financial statements as of (date) and for the year then ended, and as required by Louisiana Revised Statute 24:511 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of April 29, 2008 compilation representation).

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 50:510, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes ☒ No ☐

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1501-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes ☒ No ☐

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 38:5241-14) or the budget requirements of LSA-RS 38:524.

Yes ☒ No ☐

#### Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:51, and 44:58.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 24:403, and/or 24:52, as applicable.

N/A

Yes ☐ No ☐

We have had our financial statements audited or compiled in accordance with LSA-RS 24:515.

Yes ☒ No ☐

#### Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes ☒ No ☐

#### Debt

It is true we have not incurred any indebtedness, other than credit for 30 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 25 of the 1974 Louisiana Constitution, and LSA-RS 38:1410.80-1410.85.

Yes ☒ No ☐

#### Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VI, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:135, and AG opinion 79-720.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

\_\_\_\_\_  
Secretary Date

\_\_\_\_\_  
Treasurer Date

 \_\_\_\_\_  
President 7-3-02 Date